

Message Text

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43

ACTION AID-59

INFO OCT-01 AF-10 ADP-00 L-03 IO-13 NSC-10 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 RSR-01 /150 W

----- 030699

R 231015Z AUG 73

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 5439

INFO AMEMBASSY ABIDJAN

AMEMBASSY NIAMEY

LIMITED OFFICIAL USE COTONOU 1280

E.O. 11652: N/A

TAGS: EAID, DM, US

SUBJECT: COTONOU BRIDGE AND DAM PROJECT UNDER AID

GRANT TO AFDB

DEPT ALSO PASS AID/W; ABIDJAN FOR REDSO; NIAMEY FOR ADO

REF: ABIDJAN 5850

1. ADDITIONAL POINTS AID/W MIGHT CONSIDER IN WEIGHING REFTEL ARE:

(A) THIS PROJECT IS VIEWED BY PRESENT AND FORMER GOVERNMENTS AS THE SINGLE MOST IMPORTANT US CONTRIBUTION TO DAHOMEY'S DEVELOPMENT. WHILE THEY RECOGNIZE PARAKOU-MALANVILLE ROAD PROJECT SIGNIFICANT AND APPRECIATE YOUR WILLINGNESS JOIN WITH WORLD BANK IN THIS EFFORT, COTONOU BRIDGE/DAM IS CONSIDERED CRITICAL AND URGENT. AS AID/W KNOWS, I HAVE CONSISTENTLY TOLD PRESIDENTS MAGA, AHOMADEGBE AND KEREKOU AND THEIR MINISTERS WE PREPARED FINANCE PROJECT THROUGH AFDB OR, IF NECESSARY, DIRECTLY.

(B) REFTEL INDICATES AFDB PROPOSED TO MRGD THAT \$2 MILLION BE FINANCED FROM ITS REGULAR LOAN FUNDS. IT IS OUR UNDERSTANDING THAT WE WOULD FINANCE PROJECT THROUGH AFDB PROVIDED "SOFT WINDOW" IN OPERATION. DAHOMEAN GOVERNMENT EXPRESSED ITS CONCERN OVER
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AFDB'S HIGH INTEREST RATES AS EARLY AS AUGUST 1971 (COTONOU 0781).

I CANNOT SEE THE PRESENT GOVERNMENT BEING ABLE TO ACCEPT "HARD TERMS" PROPOSED BY AFDB.

(C) ADDITIONAL PART OF AFDB PACKAGE IS \$1.5 MILLION CONTRIBUTION BY DAHOMEY. PRESENT GOVERNMENT IS TRYING TO PUT ITS FINANCIAL HOUSE IN ORDER BY ELIMINATING CORRUPTION, COLLECTING PAST AND CURRENT TAXES AND INSTITUTING AUSTERITY MEASURES. WHILE PROGRESS HAS BEEN MADE, DAY HAS NOT ARRIVED WHEN, FOR EXAMPLE, CIVIL SERVANTS CAN COUNT ON BEING PAID ON TIME OR RECEIVING SALARY INCREASES PROMISED LAST JANUARY. IT IS THEREFORE DIFFICULT TO SEE HOW MRGD COULD COME UP WITH \$1.5 MILLION.

(D) AS FOR AFDB SUGGESTION OF DIVIDING PROJECT INTO THREE PARTS, WITH POSSIBILITY OF THREE DIFFERENT FIRMS OPERATING SIMULTANEOUSLY WITH LIMITED TECHNICAL EXPERTS IN MRGD, IT IS NOT DIFFICULT TO ENVISAGE THE CONFUSION AND INEFFICIENCY THAT WOULD ARISE, LET ALONE, AS REFTEL SO APTLY SUGGESTS, THE INCREASED COST OF THE PROJECT.

2. IMPORTANT ELEMENT MISSING IN REFTEL IS INDICATION FROM AFDB OF DAHOMEAN REACTION TO ITS PROPOSED FINANCIAL PACKAGE. WITHOUT THIS INFORMATION, CONSIDERATION OF AFDB'S LETTER (PARA 4 OF REFTEL) IS AT BEST PREMATURE.

3. RECOMMENDATION:

(A) INVIEW OF OUR FIRM COMMITMENT TO CARRY OUT PROJECT, IT SHOULD REMAIN A US EFFORT AND NOT BE INTERNATIONALIZED.

(B) US FINANCING SHOULD BE THROUGH AFDB IF SOFT TERMS AVAILABLE. IF THEY NOT AVAILABLE, AID SHOULD FINANCE PROJECT DIRECTLY WITH MRGD.

(C) IN INTEREST EFFICIENCY, COST, ADVANTAGE TO US BUSINESS AND TOTAL US IDENTIFICATION, PROJECT SHOULD BE TREATED AS SINGLE ENTITY.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 23 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973COTONO01280
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: COTONOU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730821/aaaaaaxy.tel
Line Count: 97
Locator: TEXT ON-LINE
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: ABIDJAN 5850
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 08 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Jan-2002 by boyleja>; APPROVED <28-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
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EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Subject: COTONOU GRIDGE AND DAM PROJECT UNDER AID GRANT TO AFDB
TAGS: EAID, DM, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005